Agreement between India and China in Banking Sector

895. SHRI BHAGABAN MAJHI : Will the Minister of FINANCE be pleased to state :

(a) whether the Co-operation has een established between India and China in the field of banking;

(b) whether any agreement has een signed between the countries >r the purpose; and

(c) if so, the details thereof?

THE MINISTER OF STATE ^ THE MINISTRY OF FINANCE SHRI M.V.CHANDRASHEKARA MURTHY): (a) *to* (c) Reserve Bank 'India (RBI) has intimated that Memorandum of Understanding 10U) on Banking Cooperation has en signed by RBI with the People's ink of China on 22nd October, '94. Both the Central Bank of India d China have reached an undermding that SBI and other major dian banks shall strengthen coripondent banking arrangements th Chinese banks operating in lina and outside India for handling trade and economic relations in cordance with the regulations both the countries. Both banks ill also consider favourably the ening of representatives offices by uks from the other country subject current regulation existing in each country.

Performance of Commercial Banks

896. SHRI O. P. KOHLI: Will Minister of FINANCE be pleased state:

(a) whether Reserve Banks of ia (RBI) have taken steps to use the amount of overdues and mprove the recovery performance the commercial banks in respect :heir advances to various sectors;

(b) if so, the details thereof and outcome thereof;

(c) the details of the top ten defaulters of repayment of loans indicating the amount of loans outstanding against each one of them; bank-wise;

(d) since when these loans are outstanding; and

(e) the reasons for the concerned banks to have failed to realise their dues from these defaulters ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.CHANDRASHEKARA MURTHY): *(a) and (b)* Reserve Bank of India (RBI) have taken various steps to reduce the amount of overdues and to improve the recovery performances of the commercial banks in respect of their advances to various sectors. The effective performance in this regard is looked into by RBI primarily during the inspection carried out at periodic intervals. The non-performing assets of commercial banks commented in the inspection reports is closely monitored emphasising, among others, the need for better recovery performance during the time of discussion with the Chairman & Managing Director of the concerned banks. In addition, RBI has also prescribed prudential norms regarding capital adequacy, income recognition, assets classification and provisioning, so as to improve the asset quality of banks, provision of clause regarding the need to set up a Recovery Cell at Head Office in the Memorandum of Understanding (MOU) signed by the banks, setting up recovery tribunals etc.

(c) and (d) In accordance with the statutes governing the nationalised banks and in keeping with the practices and usages customary amongst the bankers, information relating to the affairs of their constituents is not disclosed.

(e) Some of the reasons generally responsible for turning advances into non-performing assets as follows:—